

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
JANUARY 27, 2022

The meeting of January 27, 2022 was called to order by Robert Baca, President, at approximately 10:46 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, President
James Ortiz, Vice President
Virginia Mondragon, Secretary/Treasurer
Joe C de Baca, Trustee
Samuel Ramirez, Trustee

Others Present : Les Montoya, General Manager
Debbie Alexander, Admin. Assistant

2. INVOCATION – Robert Baca, President, led us in prayer.

3. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was recited.

4. APPROVAL OF AGENDA – Today's Agenda was presented for review and approval. After review, a motion to approve the agenda as presented was made by James Ortiz and seconded by Virginia Mondragon . Motion carried unanimously.

5. RECOGNITION OF GUESTS

a. **Invited Speakers – (15-minute time limit)** – None.

b. **General Public Comment (5-minute time limit)** – None.

c. **Introduction of Employees: 1) Kenneth Lucero – Pecos – 1st Year Apprentice; 2) Tristan Trujillo – Las Vegas – 1st Year Apprentice** – Kenneth Lucero and Tristan Trujillo, both newly hired 1st year apprentices, were introduced to the Board. Both employees are from the Las Vegas area. The Board welcomed Kenneth and Tristan to MSMEC.

6. SAFETY REPORT/MINUTES – The Safety Committee Meeting was held on January 11, 2022. Those in attendance included: Lazaro Barela, Francisco Caro, Pamela Gallegos, Jacob Jaramillo, Gwenona Mascarenas, Leslie Montoya, Isaiah Romero and Vidal Barela. Some items covered included the following:

- There were no accidents, no near misses, no on-the-job injuries, nor any on-the-job incidents to report in either Mora or Pecos for the month of December, 2021.
 - Other incidents/accidents reported included: 1) The AMI Network Supervisor noticed a blink flagged by the AMI System. This account had been disconnected for non-payment. A service order was issued and metering tampering was discovered. The meter was removed, and the socket was sealed and service wires feeding the loop were disconnected. A meter tampering fee was assessed; 2) A working foreman and apprentice Lineman were dispatched to Pendaries to lift up the neutral on the three-phase line. While working, they noticed a fire break out a few houses down. A lady at the scene was panicking. Our employees ran over with two fire extinguishers to help douse the fire until the fire department arrived. No injuries; 3) The AMI Supervisor noticed a blink flagged on another disconnected account for non-payment. A service order was issued and meter tampering was discovered. A meter tampering fee was assessed.
 - General Manager Montoya advised the committee the Board of Trustees acknowledged the Certificate of Incorporation and Articles of Incorporation establishing the MSMEC Education Foundation, Inc.
 - Three employees were recognized for their years of service at MSMEC as per Board Policy #226. Debbie Alexander - 15 years, Isaiah Romero – 15 years; and Tami Hernandez – 5 years.
 - Manager Montoya mentioned that there will be a 2% decrease with Tri-State in March of 2022. Rates will be locked in for another 2 years.
 - Manager Montoya advised the committee that a property sale may be proposed to the Members during the 2022 Annual Meeting.
 - Smoke detectors were installed in the Boardroom building and the Warehouse.
- 7. ACTION OF REGULAR MEETING MINUTES HELD ON DECEMBER 23, 2021** – The Minutes of the meeting held on December 23, 2021 were presented for review and approval. After review, **a motion was to approve the minutes of December 23, 2021 as presented was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.**
- 8. APPROVAL OF NEW MEMBERSHIPS (MORA 18 – PECOS 6)** – A total of 24 new memberships were presented for the Board’s review and approval. After review, **a motion to approve all new memberships as presented was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**
- 9. MANAGER’S REPORT**

- a. **Delinquent Report** – The Delinquent Report for December 2021 had 834 delinquent accounts totaling \$183,260.13. After collections, 580 of those accounts remained unpaid for a total of \$132,037.94.
 - b. **RUS Form 7 – 1) Report ending November 30, 2021;** Operating Revenue and Patronage Capital was \$1,023,798, Cost of Purchased Power \$530,380, Total Operation & Maintenance Expense \$798,619, Total Cost of Electric Service \$936,205, Patronage Capital & Operating Margins \$87,593 and Patronage Capital or Margins was \$87,918. TIER for the month was 4.05% and 2.63% YTD.
2) Report ending December 31, 2021 – Report ending December 31, 2021 was not available prior to meeting.
 - c. **Outage Report** – There were a total of 75 reported outages during the month of December 2021. There were 1286 consumers affected by these outages for a combined total of 187.5 hours of consumers without power. During the high wind storms that occurred during mid-December, there were approximately 40 broken poles in our distribution system and many, many downed trees, including miles of downed power lines in some areas.
 - d. **Member Sales Budget Report** – The Member Sales Budget Report for Tri-State for the month of December is as follows: Total Energy monthly comparison was 8,433,384 Actual kWh and 8,205,376 Budgeted kWh. The Revenues were \$637,497 Actual and \$636,068 Budgeted.
 - e. **Fused Cut-Out Report** – Report was not available this month.
- 10. FINANCE REPORT** – A motion to approve the Finance Report of the Finance Meeting held earlier today, together with the approval of the Manager's Report, was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously.
- 11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee reported on their January meeting. Items covered included the following:
- Partial Requirement open season
 - Rate Design Committee will meet on February 8th and 9th
 - Operation and Finance performance
 - Approval of Colorado Transformer Project
 - Legislative Session – all states want to close coal plants earlier
 - Drought discussion
 - Member sales were under budget
- 12. NMRECA TRUSTEE REPORT** – James Ortiz, NMRECA Trustee, reported on their January meeting held in Santa Fe. Some of the items covered included the following:

- RUS long-term interest rates are at 2.02% and short-term rates are 0.10%. Mr. Larry McGraw shared with the board he had completed 30 years of service with RUS in New Mexico.
- CoBank reported 2021 was a strong budget year for them.
- Check for counterfeit bills floating around.
- The deadline for nominees to be submitted for the New Mexico Long Rope Safety Award is February 1, 2022.
- CDC guidelines on Covid.
- NMRECA Annual Meeting will continue to be held at the Santa Ana Center for now. This is one of the only venues that can hold all who attend the Statewide Annual Meeting.
- Legislative Conference will be held in Washington, DC on May 2nd – 4th, 2022.

13. ON-GOING BUSINESS

- MSMEC 2022 Operating Budget – Approval** – The final 2022 MSMEC Operating Budget, including projected revenue and expenses for 2022, was presented to the Board. Operating Budget projected amounts were based on actual figures for December 2020 and January through November of 2021. Increases projected in 2022 include the following: 1) Revenue 1.36%; 2) Cost of purchasing power 1.88%; 3) Employee wages 3%; 4) two new Linemen Position; and 5) one Work Order position. Some expenses added to the budget are Mapping Software Training and Consulting, Rate Study and Engineering Services. The Operating Budget consists of a three-year comparison for years 2020, 2021 and projected 2022. After review and discussion, **a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the final MSMEC 2022 Operating Budget as presented. Motion carried unanimously.**
- Tri-State G & T – 2021 End-Use Survey Results Report** – Tri-State conducted an end-use survey with consumers from throughout their service territory. MSMEC consumers were included in this survey. Results of the survey for each Tri-State Member were documented and provided to the respective Members. A total of five MSMEC consumers who participated in this survey were randomly selected by Tri-State to receive a \$100.00 gift card. These gift cards will be mailed out by MSMEC to those selected.
- Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of December 2021 was \$637,497.29. MSM Solar bill was \$27,940.88 with a credit from Tri-State of \$10,472.38

14. NEW BUSINESS

- David Spradlin – Chairman of Tri-State CEO Committee and CEO at Springer Electric Cooperative – Discussion regarding Tri-State and FERC** – Mr. David Spradlin, Tri-State's Chairman of the CEO Committee and CEO at Springer Electric, was invited to attend today's meeting to discuss the various issues Tri-State is dealing with before

the Federal Energy Regulatory Commission (FERC) that may have an effect on Tri-State's members, and the impact these issues may have on MSMEC.

- b. **IRS Standard Mileage Rate for 2022** – The IRS standard mileage rate has changed for 2022. The IRS standard mileage rate for 2022 is 58.5 cents per business mile, which decreased 2.5 cents from 2021. **A motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the 2022 IRS Standard Mileage Rate of 58.5 cents per business mile. Motion carried unanimously.**
- c. **Notice of CoBank 2022 Direction Election – Request for Director Candidates** – For information only.

15. MSMEC EDUCATIONAL FOUNDATION

- a. **Request for Renewal of Frank R. Rodriguez, Jr. Memorial Scholarship - Fall 2021 Grades– Cody D. Rivera -**
- b. **Request for Renewal of Robert M. Quintana Memorial Scholarship – Fall 2021 Grades – Steven Lovato –**
A motion was made by Virginia Mondragon, seconded by Sam Ramirez, to approve the renewal of the scholarships for Cody D. Ribera and Steven Lovato. Motion carried unanimously.
- c. **Education Foundation – Extended Funding for other Scholarships** – This item was tabled and will be added to next month's meeting agenda.

16. CORRESPONDENCE

- a. **Upper Pecos Watershed Association – Thank you letter for donation** – For information only.
- b. **CoBank's Southwest Customer Meeting – Lost Pines, Texas** – For information only.

17. INFORMATION

- a. **Calendar of Events** – Tri-State Meetings will be held on February 1st and 2nd in Denver. Statewide Meetings will be held on February 3rd and 4th in Santa Fe. MSMEC has scheduled their next Finance and Regular Board Meetings on Thursday, February 24th, 2022.

A motion to move into Executive Session was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.

18. EXECUTIVE SESSION

- a. **Personnel Matters**
- b. **Update on Union Matters**
- c. **Litigation Matters**

A motion to move out of Executive Session and back into Regular Session was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.

19. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None.

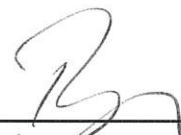
20. OTHER BUSINESS TO COME BEFORE THE BOARD – None.

21. ADJOURNMENT – A motion to adjourn today's meeting was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously. Meeting adjourned at 2:49 p.m.

ATTEST:



Virginia Mondragon, Secretary/Treasurer



Robert Baca, President